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FM AMEMBASSY BUENOS AIRES  
TO RUEATRS/DEPT OF TREASURY WASHINGTON DC IMMEDIATE  
RUEHC/SECSTATE WASHDC IMMEDIATE 8657  
INFO RHMFIU/DEPT OF JUSTICE WASHINGTON DC IMMEDIATE  
  
UNCLAS BUENOS AIRES 001364

SIPDIS

SENSITIVE  
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TREASURY FOR CLAY LOWERY  
TREASURY FOR OTA (LMCDONALD, CCORREA)  
TREASURY FOR TFFS (HEFFERNAN, VANLINGEN), OFAC, FINCEN  
PASS NSC FOR JOSE CARDENAS, ROD HUNTER  
STATE FOR S/CT -- NOYES  
STATE FOR EB/ESC -- DAS SIMONS AND JEAN CLARK  
STATE FOR EB/ESC/TFS - LEANNE CANNON  
STATE FOR INL/C/CP (PETERSON), INR/EC, S//CT (HILL), IO/PSC  
(SANDAGE)  
DHS FOR ICE -- D.THOMPSON  
JUSTICE FOR OIA AND AFMLS  
PARIS PASS US MISSION OECD

E.O. 12958: N/A

TAGS: KTFN EFIN PREL AR

SUBJECT: SUPPORT FOR ANTI-MONEY LAUNDERING OTA TECHNICAL  
ASSISTANCE FOR ARGENTINA

REF: A. BUENOS AIRES 1183  
    1B. BUENOS AIRES 78

¶1. (SBU) I am writing in support of a Treasury Office of Technical Assistance (OTA) initiative to offer direct technical assistance (TA) and training to the Government of Argentina (GoA) in the areas of anti-money laundering (AML) and counter terrorism finance (CTF).

¶2. (SBU) I understand that Treasury and State legal counsel have determined that a Brooke waiver would not/not be required to extend such assistance since a provision of the Foreign Assistance Act exempts training/technical assistance not directed towards police forces. In any case, the proposed technical assistance would empower the groups in the GoA that are most interested in maintaining close bilateral ties and complying with bilateral and international commitments.

¶3. (SBU) The proposed assistance would strengthen U.S.-Argentine cooperation on law enforcement issues, and also help improve GoA efforts to counter money laundering and terrorism financing, including in the tri-border area, both high priorities for the U.S. We will be providing separately my recommendations for options to reinvigorate the 3 plus 1 mechanism.

¶4. (SBU) The U.S. and Argentina have excellent and productive relations in the area of law enforcement cooperation, and many GoA officials, particularly in the regulatory bodies, wish to improve the GoA's ability to investigate and prosecute crimes related to money laundering and terrorism finance. With the recent completion of the Argentine counter terrorism/counter terrorism finance law (Reftels) -- which came on the heels of major reforms of Argentine money laundering laws and regulations -- there is positive momentum and increasing support within the GoA on enforcement.

¶5. (SBU) Argentine Central Bank President Martin Redrado personally asked me for TA in a meeting in May, during which he emphasized his interest in improving the Central Bank's

ability to combat money laundering and terrorism finance in the financial sector. The Central Bank's Banking Supervision department has since requested AML/CTF training in writing to the Department of Treasury's Office of Technical Assistance. We are also aware that other GoA regulatory agencies are interested in participating in AML/CTF training programs. These include the Public Prosecutor's office, the Comision Nacional de Valores (national stock commission -- equivalent to the U.S. SEC), and the Superintendencia de Seguros (national insurance regulator).

¶6. (SBU) These regulatory agencies, including the Central Bank, all have special units dedicated to AML/CTF audits and investigations, and they are eager to improve their capacity to enforce the new laws. Argentina's Financial Investigative Unit ("Unidad de Informacion Financiera") and Office of the National Coordinator for AML/CTF issues have also expressed interest in AML/CTF technical assistance and training.

¶7. (SBU) The reformers in the GoA are focused on and concerned about the destructive impact of increasing trafficking of illegal drugs, guns, and people through Argentina, and are also cognizant of the need to combat terrorism, given the two terrorist attacks on Argentine soil in the 1990s. These officials understand the importance of complying with international commitments and of cooperating with international law enforcement bodies, and the passage of the CTF law appears to have shifted the momentum in their favor. Therefore, I strongly argue that we should act now and support the numerous government officials eager to increase bilateral and international cooperation and enhance their ability to combat attempts to launder illicit funds and the financing of terrorist groups.

WAYNE